



Crowe MacKay™



Crowe MacKay LLP
Member Crowe Horwath International
200, 303 Strickland Street
Whitehorse, YT Y1A 2J9
+1.867.667.7651 Tel
+1.867.668.3797 Fax
www.crowemackay.ca

DATE: July 31, 2019

TO: Will Friesen
Budget Officer
Health & Social Services
Social Services Divisional Finance Unit

FROM: Erik Hoenisch, CPA, CA
Incorporated Partner
Crowe Mackay LLP

RE: Executive Summary of Findings
Report of Factual Findings
Financial Information of Many Rivers Counselling and Support Services Society
For the year ended March 31, 2019

As requested, following is a summary of some of the results of the agreed-upon procedures detailed in our report dated July 19, 2019. This summary should be read in conjunction with our report and accompanying schedules and does not describe all results.

Comparison of actual vs budget expenditures

In a comparison of the budget vs actual expenditures, in the following expense categories, the actual expenditures were more than 10% higher than the budgets:

(categories are as per budgets on funding agreement)

Communications The actual expenditures are \$17,309 greater than budget (a 33% difference). The actual expenditures include \$22,223 for a new telephone system purchased from Northwestel.

Office Equipment/Repair The actual expenditures are \$5,246 greater than budget (a 30% difference). The actual expenditures include expenditures coded in January 2019 in the amounts of \$4,698 and \$4,105 for chairs, boardroom, cabinet and coffee tables. One invoice included the handwritten comment "FSEAP", which we understand to mean "Family Services Employee Assistance Plan".

Contracts - bookkeeping/audit The actual expenditures coded to the account "Audit & Legal" are \$20,786 greater than the "Contracts - bookkeeping/audit" budget (a 115% difference). The actual expenditures consist of \$19,329 for audit and costs of \$19,457 related to legal advice on Public Service Alliance matters and "layoff issue".

Contracts – Blood Ties Staffing and Cleaning/snow removal The actual expenditures are \$176,342 greater than budget (a 436% difference). The actual expenditures include costs for consulting psychologist services totaling \$13,625, general consulting services totaling \$10,080, clinical supervision services of \$59,354 and payments to 5 individuals for office coverage over various times in Watson Lake totaling \$30,905.

IT – Computer network and maintenance The actual expenditures are \$4,020 greater than budget (a 73% difference)

Board Expenses The actual expenditures are \$6,016 greater than budget (a 75% difference). The actual expenditures include a meeting in Vancouver in October 2018. Accommodation costs for 10 rooms, as well as for some meal costs included in the hotel invoices, totaled \$12,557.

Travel/Transportation The actual expenditures (coded to travel and vehicle expense) are \$57,186 greater than budget (a 58% difference). Expenditures coded to Travel include hotels in Whitehorse and Yukon communities: \$28,678; hotels in Vancouver and elsewhere in Canada: \$10,185; airfare: \$26,068; taxis: \$1,296.

Examination of Other Expenditures

An agreed-upon procedure was to examine expenditures in other categories, regardless of whether they exceeded the budgeted amounts. Expenditures were examined in various categories including the following:

Professional Development/Training The budget for this category was \$39,000. Actual expenditures totaled \$18,854 of which \$9,746 was reimbursed to Brent Ramsay for term payments made in Euros to Paris School of Business for a Doctorate in Business Administration program. Payment schedule for program consisted of a 7,000 Euro down payment in November 2016, a first instalment of 3,000 Euro in January 2017 and four instalments of 3,750 Euro in January and July 2018 and 2019. Total cost of 25,000 Euro. Employee portion shown as 17%, employer portion 83%.

HR Contingency There was no specific budget for this category. Actual expenditures were \$65,480. Expenditures included professional legal services regarding collective bargaining and mediation services.

Examination of Expenditures made by credit card

An agreed-upon procedure was to trace all expenditures shown in the General Ledger with the identifier "CIBC Visa" to the corporate card statements and supporting documentation.

Many of the expenditures made by Many Rivers were by credit card and the results of this procedure have been reflected in the individual expense examinations summarized above. Documentation for most expenses shown on the credit card statements after late January 2019 was not found.

You had asked whether we felt that there were any particular issues that might be of interest to the Government of Yukon that we found during this engagement and whether we found written policies that governed approval of expenditures.

One issue that is evident from the various schedules attached to our report is that numerous expenditures, in various categories, were related to "FSEAP", but that there was no specific budget for this work in the funding agreement.

We were provided with general policy manuals found by the current Treasurer of Many Rivers but since none of the management or directors for the year ended March 31, 2019 were available, we were unable to acquire a good understanding of the policies that were used to approve expenditures.

You had also asked whether it would be possible to perform similar procedures for the year ended March 31, 2018 and perhaps previous years. Any examination of expenditures in the 2017-18 or earlier years would depend on the availability of accounting records, invoices and other supporting documentation.

As noted in our report, the procedures we performed do not constitute an audit of the financial information and accordingly, no assurance is expressed. As well, as noted in the report, we cannot guarantee that fraud, error and illegal acts, if present, would have been detected when we performed the requested procedures.